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22 February 1980

Mr. James W. Smith
Division of State Lands
Department Oil Gas and Mining
1588 West North Temple
Salt Lake City. Utah 84116

DIVISION OF OIL, GAS & MINING

Dear Jim:

1- During our inspection of the Koosharem Kaolin deposit last October, I was greatly encouraged when several areas of substantial agreement became apparent during our discussions. I will briefly restate these as follows:

a- The size, quality and potential of the mineral resource was recognized. It was also understood that much time, money and effort may be required to develop new markets or new plants to utilize this resource.

b- The need to satisfy the requirements of the reclamation laws, without destroying, wasting or contaminating the mineral resource was understood and agreed.

c- The willingness of the state to accept the existing reclamation work on the federal lands portion of the deposit, as performed under the direction of the Forest Service, was discussed and agreed.

2- Areas where additional work would be required were stated as follows:

a- Additional grading and sloping on the state owned portion of the deposit.

b- Some reseeding, with possible changes in the seed mixture.

3- Interstate Brick Division recognizes their obligation to perform reclamation on the property. They did, in good faith, complete what they (and I) believed to be a fully coordinated and approved reclamation of the property. They were subsequently released from their reclamation bond on the basis of this work. However, in view of apparent misunderstandings, they are willing to reenter and perform additional reclamation to satisfy the enquirements of paragraph 2 above. Understandably, they would like to have these requirements spelled out in greater detail before beginning the work. Mr. Harvey Cahoon of Interstate has requested that I contact your department and request development of criteria for the work to be done. I will be contacting you in the next few days to determine if I can be of assistance in this process.

Sincerely Yours

Don W Fullmer

cc: Interstate Brick Division Division of State Lands